

Control No. 4448
EIC-M-118
10 January 1967

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ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building
1000 hours, 10 January 1967

PRESENT:

25X1A9a [REDACTED] Central Intelligence Agency, Chairman
Dr. Milton Kovner, Department of State
William C. Andrews, Department of the Army
Cdr. James G. Brady, Department of the Navy
25X1A Dr. Robert A. Kilmarx, Department of the Air Force
NSA [REDACTED] National Security Agency
[REDACTED], Central Intelligence Agency
[REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
[REDACTED], Central Intelligence Agency, Executive Secretary

ANNOUNCEMENTS:

Personnel Changes:

The Chairman announced that consideration was being given to the appointment of a new Vice Chairman to replace [REDACTED] who is on extended leave. The Chairman also reported that [REDACTED] Recording Secretary, who has been associated with the EIC Secretariat for a number of years will be assuming other duties and introduced [REDACTED] as her replacement. The Chairman expressed his appreciation, and that of other members of the Committee, to Miss [REDACTED] for her outstanding assistance in making EIC operations run smoothly and efficiently over many years.

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GROUP 1
Excluded from automatic
downgrading and
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EIC Reports and Surveys in Progress:

EIC-R14-S21, Annual report on "Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World - 1966"

The Working Group has submitted the summary outline and production schedule for this report. Information copies will be made available to EIC members concerned. Work is progressing according to schedule and the report will be ready for Committee review during early February.

EIC-S-38, "Survey of Professional Personnel Engaged in the Production of Economic Intelligence"

Seventeen departments and agencies were canvassed for contributions to the survey. Contributions are now in hand and the Executive Secretary will consolidate the information received into a report, including summary tables, for review by EIC members.

APPROVAL OF MINUTES:

The minutes of the EIC meeting of 3 October 1966 (EIC-M-117) were approved.

REVIEW AND APPROVAL OF "THE INTERNATIONAL TRADE AND TRANSPORT OF COMMUNIST CHINA, 1965" (EIC-R16-S7):

This report is prepared annually by the EIC Subcommittees on International Trade and Finance and on Transportation. The Department of the Navy prepares the section on ocean shipping services and the CIA prepares the sections on trade and internal transport services.

The Chairman reported that representatives of the Defense Intelligence Agency, the Agency for International Development, the Department of Commerce, and the Federal Reserve Board, who were unable to attend the meeting, had concurred, in principle, telephonically to the EIC Secretariat prior to the meeting.

Copies of proposed Navy and CIA changes to the report were circulated and the report was then reviewed on a page-by-page basis. Modifications and additions were suggested and the Committee approved the report for issuance subject to the changes agreed to. An updated map of railroads and selected roads, as of December 1966, will be included in the publication.

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OTHER BUSINESS:

Air Force Proposal for Tasking an EIC Subcommittee with Monitoring the Uses of Economic Intelligence in Military Planning Documents

(Reference: EIC-D-633 of 15 November 1966 and EIC-D-633/1 of 22 November 1966)

Dr. Kilmarx, Department of the Air Force representative, reported that he felt it unfortunate that one recommendation of the USIB Ad Hoc Working Group on Soviet Military Expenditures for NIPP, who considered the subject proposal, was not included in the EIC response to Major General Thomas, USAF.

Discussion followed on adequate background information concerning limitations of data and methodology used in economic intelligence studies and the adequacy of the reporting on the reliability and validity of cost data on foreign military expenditures. The Chairman agreed with the desirability that each member agency take appropriate steps to insure that adequate information concerning limitations of the data and methodology used be given in intelligence studies. However, he did not feel that the EIC was the appropriate body to advise agencies to this effect or to monitor the results of such advice. The Chairman said that he believed [REDACTED] the DIA representative on the EIC, shared this view and that he had discussed the problem with General Thomas. The case which was cited by General Thomas had been one of misuse of cost data which would not have been avoided by an annex on reliability of the data. Dr. Kilmarx was invited to present any other recommendations that he might have in this connection.

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Executive Secretary